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ESTABLISHED 1802
E. I. DU PONT DE NEMOURS & COMPANY
INCORPORATED
WILMINGTON, DELAWARE 19898

LEGAL DEPARTMENT

November 12, 1987

E. I. du Pont de Nemours and Company
1007 Market Street
Wilmington DE 19898

PUBLIC AVAILABILITY DATE: 12-16-87

ACT	SECTION	RULE
1934	14(a)	14a- 8

1988 PROXY STATEMENT
SHAREHOLDER PROPOSAL

I am providing this opinion in support of the position that E. I. du Pont de Nemours and Company ("Du Pont") may properly omit from its proxy statement for the 1988 Annual Meeting the shareholder proposal submitted by Lewis D. Gilbert (Exhibit A). The proposal requests that any new stock option plan adopted by Du Pont contain certain restrictions on the issue and exercise of stock options.

Similar proposals have been presented at Du Pont's annual meeting on a number of occasions over the last thirty years. The last such proposal was included in Du Pont's Proxy Statement for the 1983 annual meeting. However, no-action letters issued by the Staff in recent years indicate that, under current interpretations, Mr Gilbert's proposal is excludable under Rule 14a-8(c)(7).

Proposals relating to stock options are viewed as being simply one element of executive compensation, a matter long considered by the Staff to relate to ordinary business operations. In Lorimar Telepictures Corporation (available July 7, 1987) (Exhibit B) the proposal required that "No new stock options are to be granted at the current stock price." In Ramada Inc. (available January 9, 1987) (Exhibit C) the proposal read: "That the Board of Directors or any Executive Officer of any Department or Subsidiary shall not vote themselves an increase in remuneration, option of stock, bonus or perk of any kind whatsoever until such time as shareholders have been made a distribution of dividends and that any increase in the future of any kind shall be in the same percentage or ratio as the dividend is to the net profit per annum." The Staff concluded in both cases that the respective proposals appeared to deal with matters relating to "the conduct of the Company's ordinary business operations" (i.e., executive compensation).

It is possible that a future stock option plan of Du Pont would be submitted to the shareholders for approval. The existing plan was so submitted. In addition, Du Pont's bylaws (which may be amended by the Board of Directors)

currently provide that the Stock Option Plan be resubmitted for stockholder approval every five years. However, the Staff considers that submission of compensation plans (including stock option plans) to shareholders for approval is not a reason for removing them from the category of matters relating to the conduct of the Company's ordinary business operations. Lorimar, (above), Alexander & Alexander Services Inc. (available February 7, 1984) (Exhibit D) and E. I du Pont de Nemours and Company (available December 19, 1985) (Exhibit E).

There is no material distinction between a proposal envisaging an amendment of a plan or of its administration, on the one hand, and a proposal for the adoption of a new plan, on the other. The Staff has considered a number of proposals for new plans to be excludable under 14a-8(c)(7). In Hercules Inc. (available December 7, 1981) (Exhibit F) the stockholder proposal read: "That the stockholders of Hercules Incorporated, assembled in annual meeting in person and by proxy, hereby request that the Board of Directors take the necessary steps to establish an employee stock ownership plan...." The Staff stated that the plan related "to the conduct of the Company's ordinary business operations (i.e., the establishment of an employee benefit plan)". Similarly, in E. I du Pont de Nemours and Company (available February 19, 1985) (Exhibit G) the Staff concurred in the excludability under 14a-8(c)(7) of a proposal "to establish a profit sharing plan in which all employees of the Company will receive an equal share of the profits for any given year.... The profit sharing plan will go into effect in 1985".

Du Pont's current Stock Option Plan is but one element in the compensation package for Du Pont executives. The structure of a future plan (if any) would likewise have to take into account, and complement, all other elements in that package. Such a plan must therefore be considered as an integral part of the Company's executive compensation and falls within the conduct of ordinary business operations. On the basis of the above mentioned no-action letters, I am of the opinion that, pursuant to Rule 14a-8(c)(7), Mr Gilbert's proposal may properly be excluded from Du Pont's proxy statement for its 1988 annual meeting of shareholders.

Very truly yours,

James D. Dinnage
Counsel

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TEL. (212) 289-8331

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LEWIS D. GILBERT
JOHN J. GILBERT
1165 PARK AVENUE
NEW YORK, N.Y. 10028-1210

Oct. 22, 1987

Mr. Roger W. Arrington, Secretary
E.I. DuPont De Nemours and Company Inc.
Wilmington, Del. 19898

Dear Mr. Arrington:

Pursuant to Rule X-14 of the Securities and Exchange Commission, this letter is formal notice to the management of E.I. DuPont De Nemours and Company Inc. that, at the coming [redacted] who is the owner of 36 shares, and/or [redacted] who is the owner of 204 shares, and both representing an additional family interest of 344 shares, and [redacted] who is the owner of [redacted] for 200 shares, [redacted] 120 shares, [redacted] AS SHOWN BY THE BOOKS AND RECORDS OF THE COMPANY, THE GILBERTS HAVE BEEN OWNERS AND HAVE UTILIZED PAST PROXY STATEMENTS AND HAVE ATTENDED ANNUAL MEETINGS IN THE PAST.

We ask that, if the management intends to oppose this resolution, our names and addresses, as above in the case of the Messrs. Gilbert, and 5 East 93rd Street, New York, N.Y. 10128 in the case of Mr. Henry, together with the number of shares owned and represented by us, as recorded on the stock ledger of the Company, be printed in the proxy statement, together with the text of the resolution and the statement ofreasons for its introduction. We also ask that the substance of the resolution be included in the notice of the annual meeting.

RESOLVED: The stockholders of E.I.DuPont De Nemours and Company, Inc. hereby request any new stock option plans be made subject to the following provisions:

(a) Shares to be optioned will be optioned in yearly installments; the right to purchase shares in each installment will not be cumulative and will expire to the extent not exercised during the applicable installment period:

(b) The aggregate purchase price of the shares covered by an option may not exceed 150% of an individual's annual cash compensation:

(c) No options will be granted in any year to executives within 18 months of their automatic retirement date:

(d) It shall be a negative factor in granting new options if an optionee has sold optioned stock to pay off a loan, enabling optionee to pick up new options:

(e) There shall be no "performance shares" offered to executive without cost:

(f) Each optionee will be required, at the time of exercise of an option, to certify in writing to the Company that at least 60% of the stock theretofore and then being acquired pursuant to options was and is purchased for investment purposes, and the Company reserves the right to cause a legend to this effect to be placed on the certificates issued at time of exercise to evidence and implement this certification;

(g) No options shall be granted to outside directors;

(h) The aggregate number of outstanding stock options held by any officer or director of each such corporation shall not exceed two percent (2%) of the outstanding stock of such corporation on whose stock he has an option.

IF ANY OF THESE PROVISIONS ARE NOT APPLICABLE, PLEASE INFORM IF SO THEY CAN BE DELETED.

REASONS

The dangers of stock options have been spelled out in the April 13, 1966 Detroit News by Walter B. Smith. He calls attention to the annual report of Berkshire Hathaway in which Warren E. Buffett is Chairman.

He quotes Mr. Buffett as saying in the report: "Buffett thinks options often are unfair, and don't accomplish what they are supposed to. He says they may reward mediocrity or even encourage bad management, and may be based on a distorted evaluation of a company's earnings."

"Berkshire Hathaway doesn't offer stock options. Instead, key managers of its operating units are paid cash bonuses for meeting targets in their own areas of business."

"Buffett says: 'We believe good unit performance should be rewarded whether Berkshire stock rises, falls, or stays even. We think average performance should earn no special rewards even if our stock should soar. All Berkshire managers can use their bonus money (and other funds) to buy our stock in the market. By accepting both the risks and the carrying costs that go with outright purchases, these managers truly walk in the shoes of the owners.'"

Therefore, we believe more shareholder protections are needed when stock options are granted.

Sincerely,

Lewis D. Gilbert

John J. Gilbert

John C. Henry

cc: Securities and Exchange Commission
Washington, D.C. 20549

TEL. (212) 289-8331

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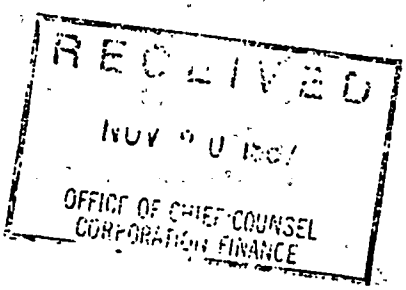

Nov. 23, 1987

Ms. Cecilia D. Blye
Special Counsel
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: E.I. Du Pont De Nemours and Co.
Proxy Statement--1988 Annual Meeting

Dear Ms. Blye:

This is to request that our option proposal be carried in the Du Pont proxy statement, which management is trying to omit.

Over the years the Securities and Exchange Commission held option proposals a proper subject for shareholders provided they apply to new option plans.

Options are distinctly different then executive compensations, which the Commission has noted is day to day ordinary business.

The problem is when an option plan is submitted for approval it is too late to call provisions, which we think should be adopted, to the Board.

The importance of this issue to shareholders is best demonstrated by the comments of Warren E. Buffett in an article by Walter Smith, which I have enclosed.

For all the above reasons we again ask that the proposal be carried, as a matter of shareholder rights.

Sincerely,

Lewis D. Gilbert

John J. Gilbert

cc: Mr. R.W. Arrington, Secretary
E.I. Du Pont De Nemours and Company

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TEL. (212) 289-8331

LEWIS D. GILBERT
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Dec. 2, 1987

Ms. Cecilia D. Blye
Special Counsel
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: E.I. DuPont De Nemours and Co.
Proxy Statement--1988 Annual Meeting

Dear Ms. Blye:

In connection with my recent letter of November 23rd, I am enclosing a copy of the decision the Division made on the same subject in 1980 at Westvaco.

I mentioned in my letter that over the years the Division held option proposals a proper subject to air, which can be seen by such decision at Westvaco.

Sincerely,

Lewis D. Gilbert

John J. Gilbert

cc: Mr. R.W. Arrington, Secretary
E.I. DuPont De Nemours and Company

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RESPONSE OF THE OFFICE OF CHIEF COUNSEL
DIVISION OF CORPORATION FINANCE

Re: E.I. du Pont de Nemours & Company (the "Company")
Incoming letter dated November 12, 1987

The proposal relates to establishing certain terms for any new Company stock option plans.

There appears to be some basis for your opinion that the proposal may be omitted from the Company's proxy material under Rule 14a-8(c)(7), since it appears to deal with a matter relating to the conduct of the Company's ordinary business operations (i.e., executive and employee compensation). Under the circumstances, this Division will not recommend any enforcement action to the Commission if the Company omits the subject proposal from its proxy material.

Sincerely,

Cecilia D. Blye

Cecilia D. Blye
Special Counsel